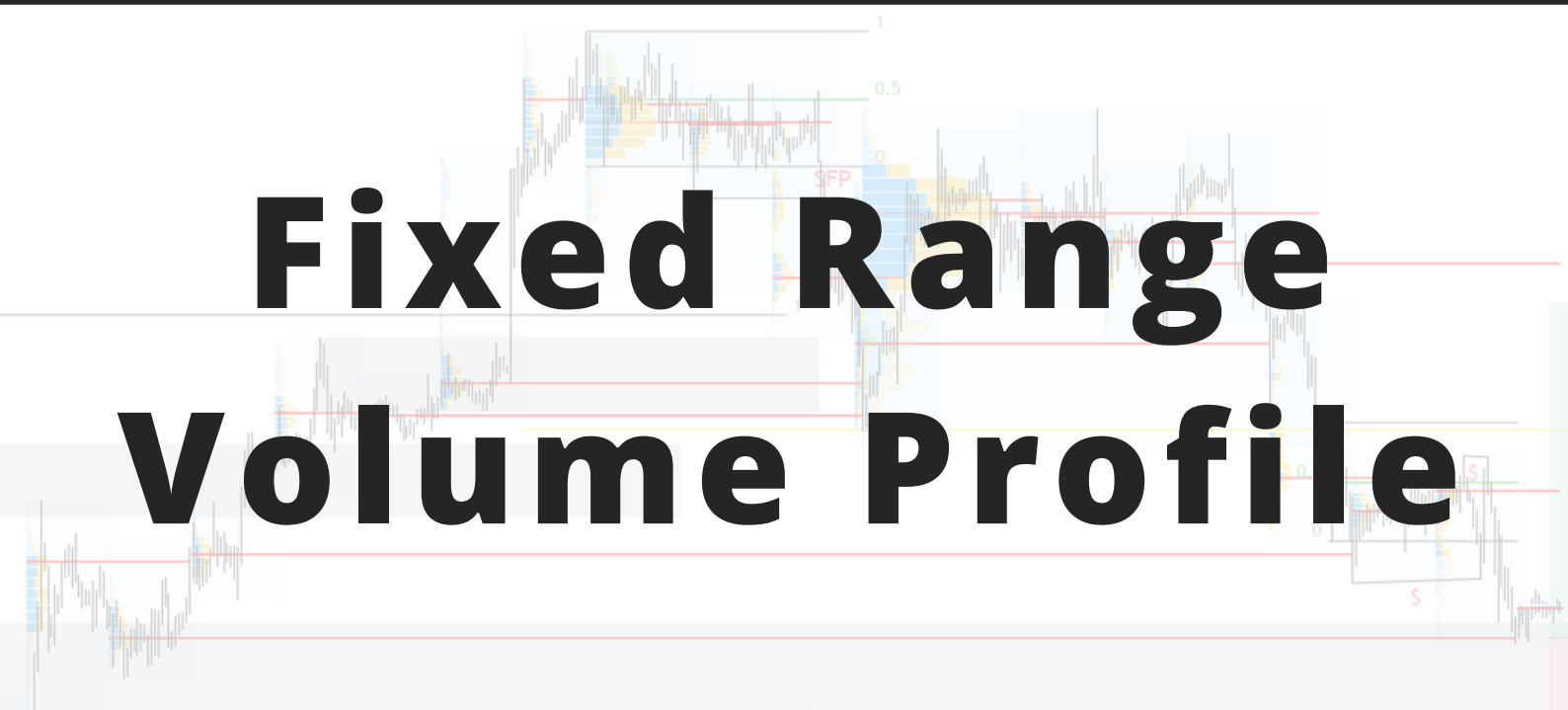


Volume Profile Series

Tutorial 2



Fixed Range Volume Profile

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Hello Family.

This is Part 2 of the Volume Profile tutorial.

This is your array into order flow trading.

I have previous uploaded the introduction to Volume Profile. I hope you've read it, I highly suggest you read that first before moving onto Part 2.

Link: <https://t.me/EmperorbtcTA/538>

Volume Profile is an incredibly useful tool to gauge the interest of the market participants and I hope you use it.

With this tool, we move to data driven trading instead of guess work.

Please read, practice and share.

Yours,

EmperorBTC



Terminologies

Terms

Value Area: 70% of the volume for the range drawn is transacted in the Value Area.

POC: Point of Control, it is the single price point (horizontal level) at which the maximum volume was traded at.

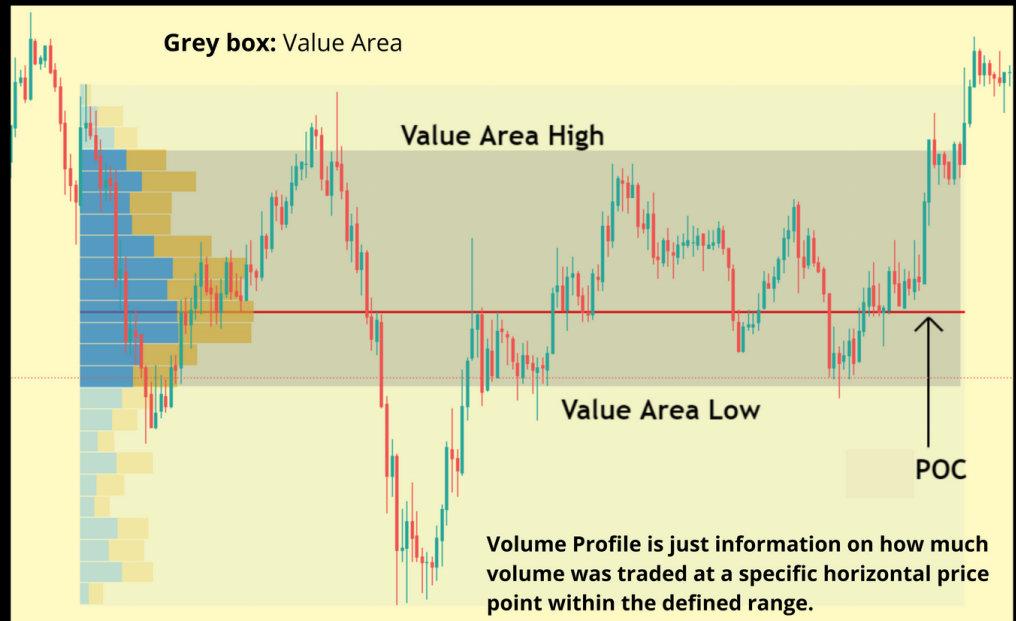
HVN: High Volume Node (Not the POC but a specific horizontal level with high volume, these may also act like the POC and stand out as a level of interest.

LVN: Low Volume Node

FRVP: Fixed Range Volume Profile

VaH/VaL: Value Area High/ Low

GLOSSARY OF TERMS



A few terminologies used apart from these are:

RH: Range High

RL: Range Low

PA: Price Action



NOTE

FRVP or Fixed Range Volume Profile, Ninja Trader software users also refer to it as flexible range Profile, is a type of Volume Profile used to find the VP of a certain fixed area.

This is the VP that I use most often, since most of the times, I need to know the flow of Volume in a certain area.

Important- This tool is even more useful for people who don't have a paid tradingview subscription and can't use Volume Profile.

This tool is available even in the free version.

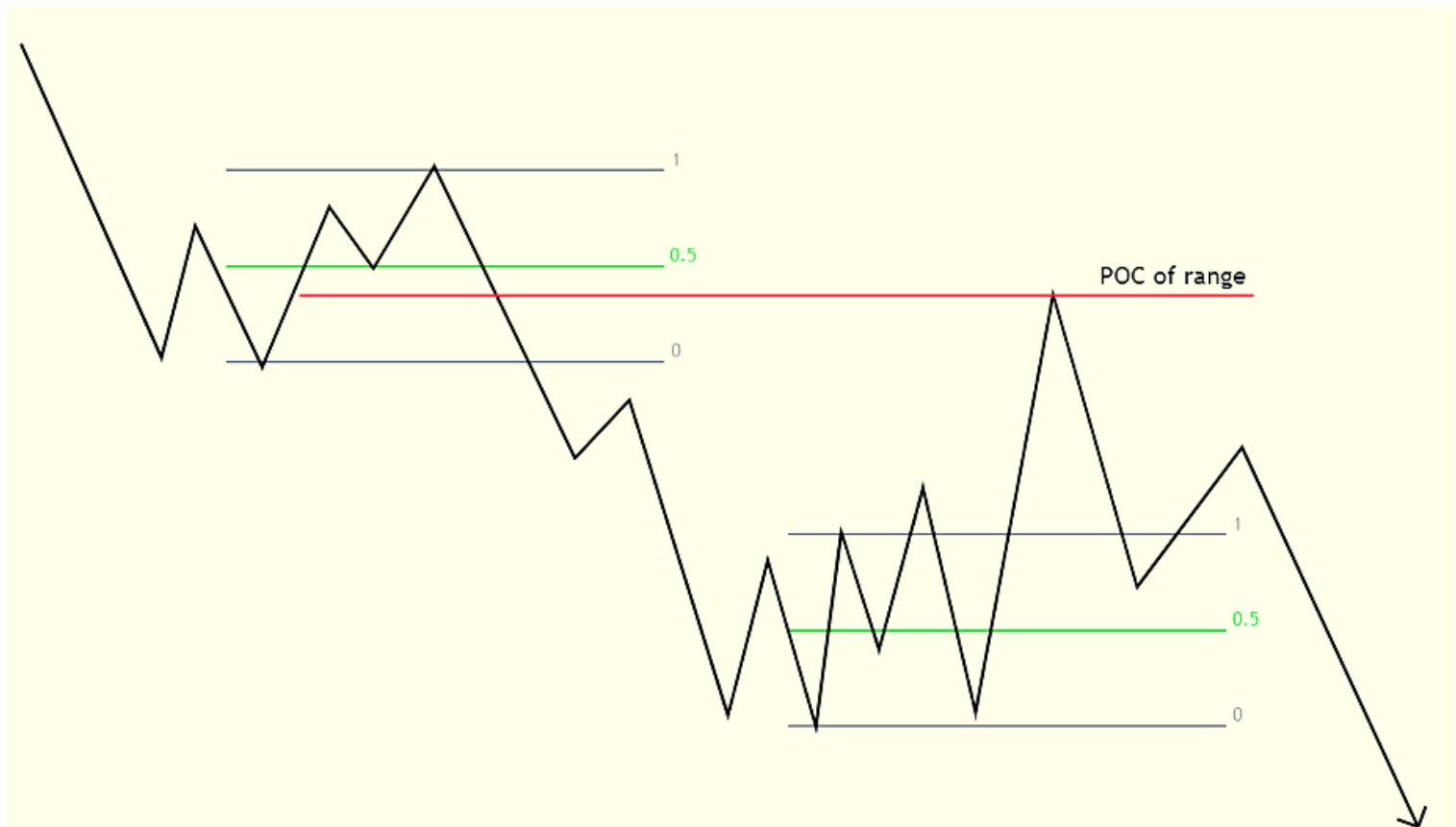


INTRODUCTION

Fixed Range Volume profile has similar concepts to VPVR tool. But the FRVP is just one of those tools that you would use much more often.

Why?

Because price always ranges before an impulse (if you're looking at the correct time frame) and then ranges some more before another impulse.



Current crypto PA is full of such examples. If you zoom out enough you'll notice that price is in a macro downtrend => you should have a short bias. How does that help you enter trades though?

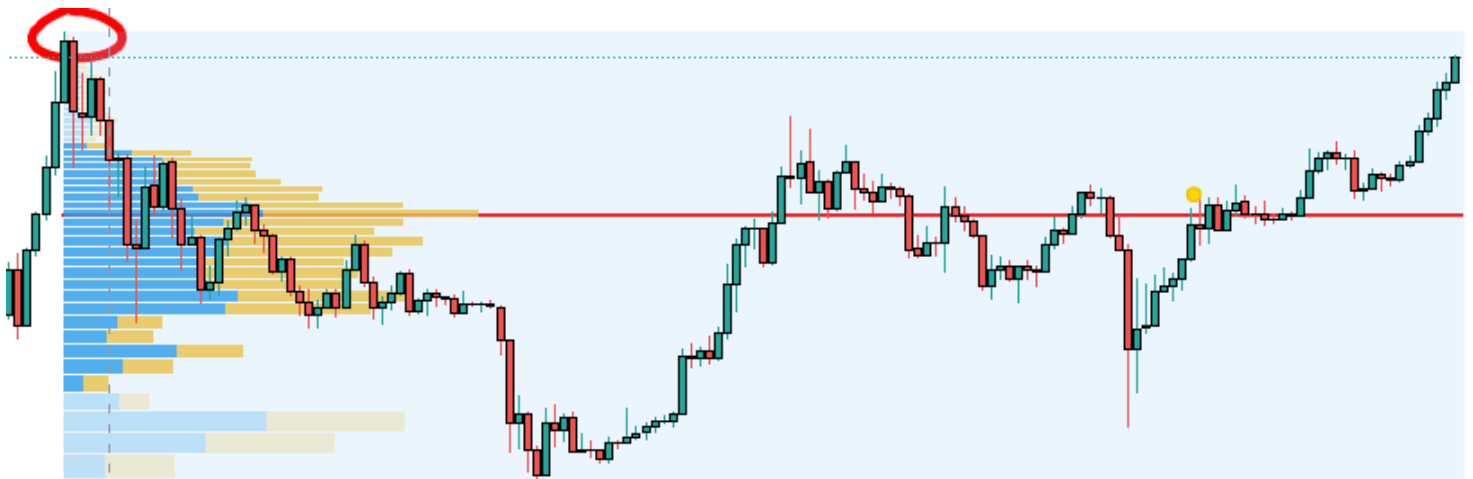
It is crucial that you find similar structures. Price always tends to not reject at range low or high after leaving the range but rather at a HVN or the POC before continuing in it's previous direction.



FRVP TUTORIAL FOR TRADINGVIEW

On the left-hand side menu, you can find the green highlighted option (Prediction and Measurement tools) that by default has long-short tool selected. On expanding the menu, you can pick and star the Fixed Range Volume profile tool.





Fixed range volume profile:

- Red line = point of control
- Yellow and blue bars = up and down volume
- Shaded blue area = selected volume profile area

You can plot it from any point on the time (horizontal) axis to any 2nd point. The above example shows one such example. Keep the settings to a default for now.

Obviously, randomly using the FRVP tool and then trying to look for trades around the Value Area or POC is not a good strategy so we need to understand which areas are of interest and where do we look to first of all draw out our ranges first.



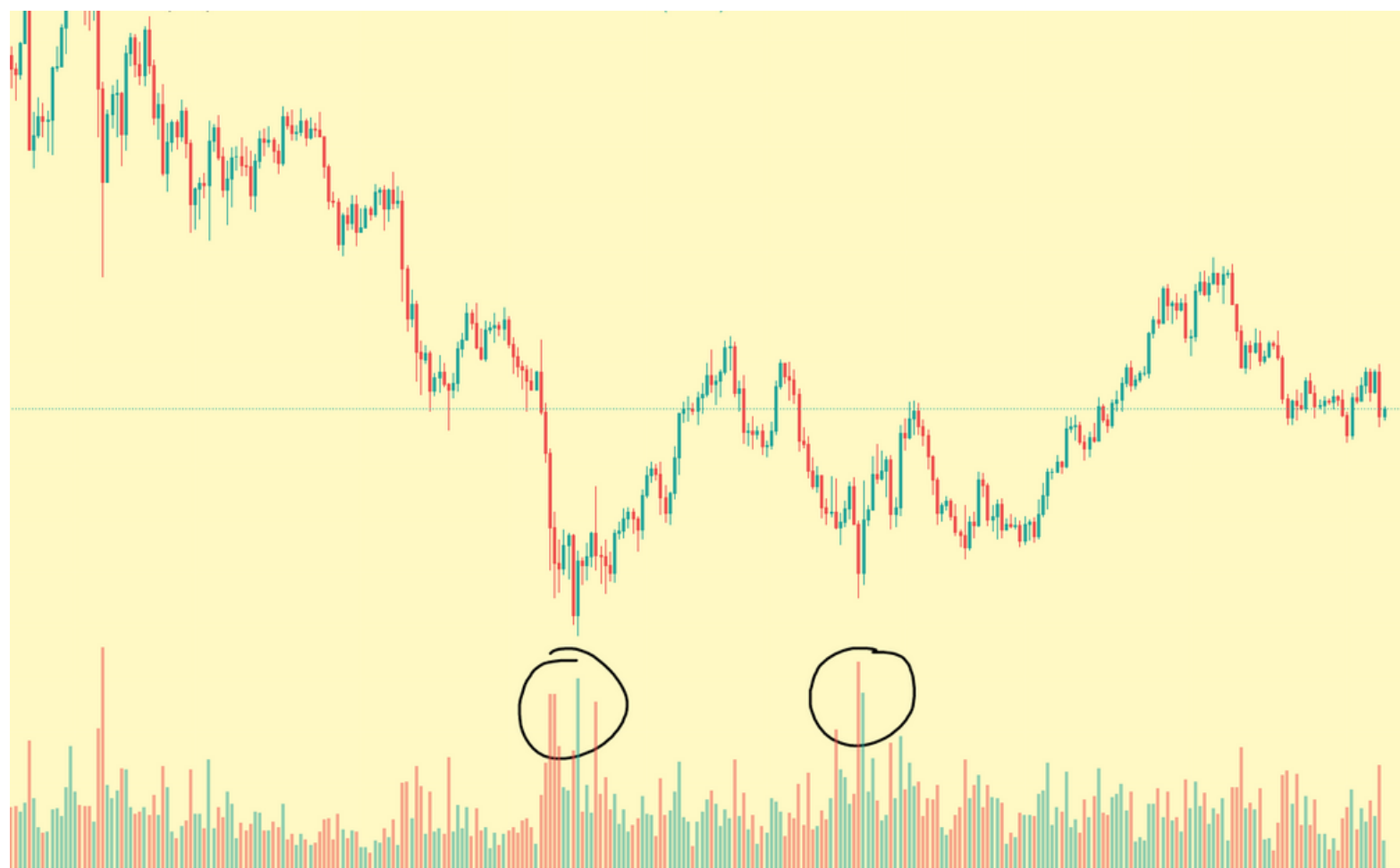
UNDERSTANDING THE TOOL AND DRAWING RANGES

What is great about volume profile in general and FRVP in specific?

Abundance of information.

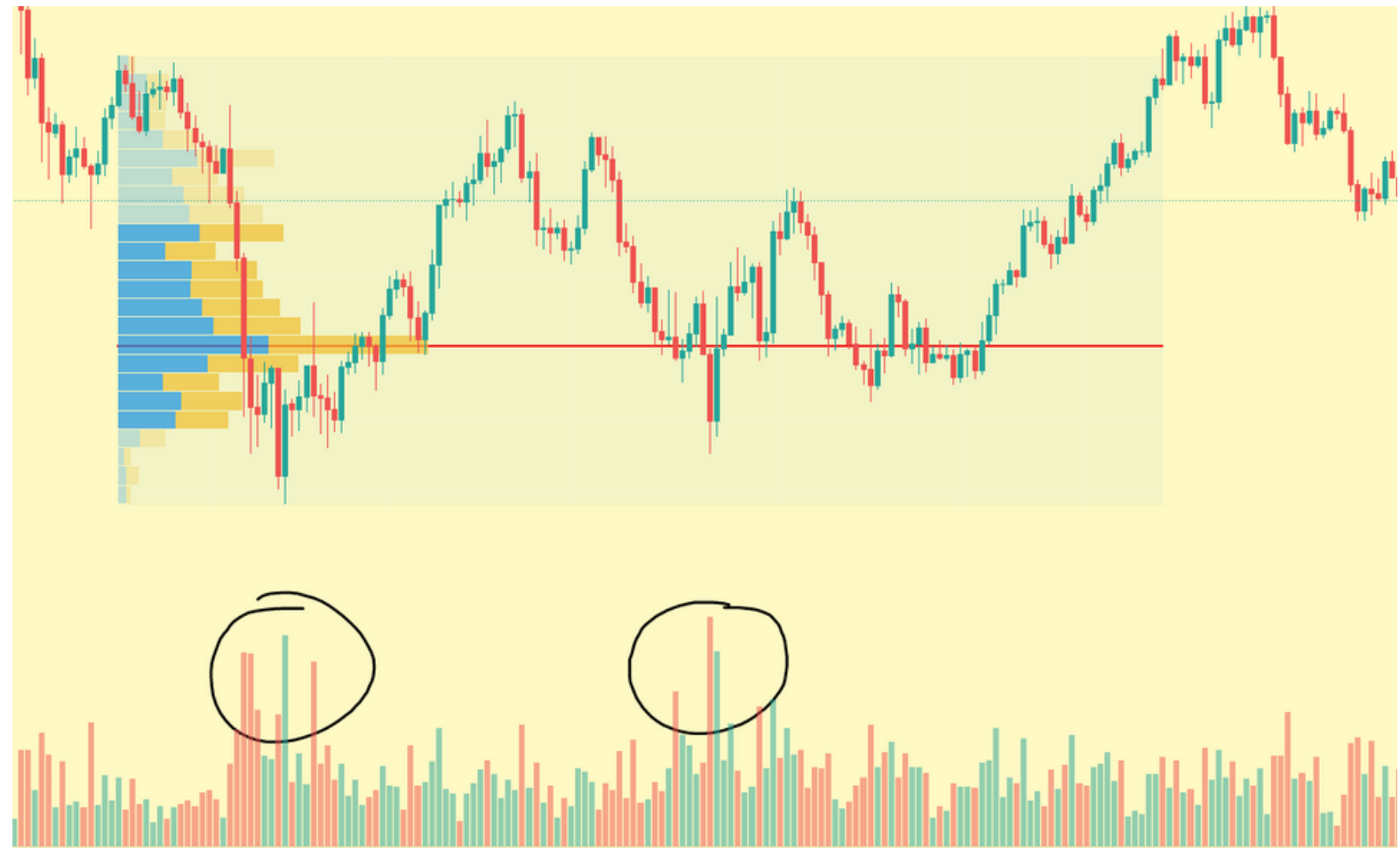
To be a good trader, the 2 most important pieces of information for you would be:

- What level with the price react to?
- How will it react at that level?



Given this chart, you see aggressive volume at these lows after a dump. Both high volume areas come at regions with large candle bodies.

So you now have a rough idea of where people are aggressively opening positions but trading is not a game where you have a “rough idea” about something.



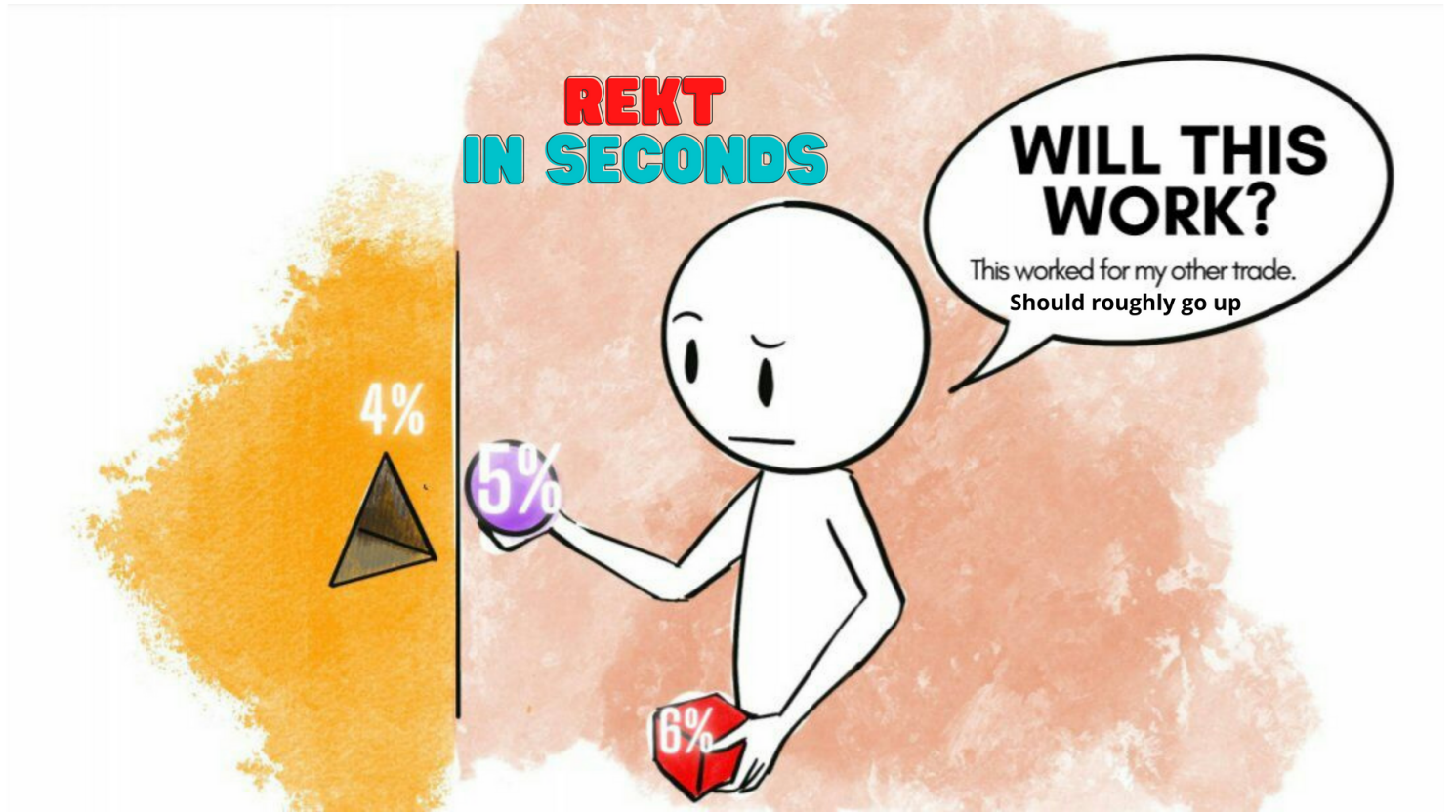
Think of the chart as a grid. FRVP allows you to conquer the first point, i.e. you get to know exact levels where price is attracted to.

You should also understand why these tools work; the high volume means a lot of people opened positions there. If price went opposite to their direction (which is the case for a majority of traders) then they are happy to get out at breakeven at those same prices.

This might not make a lot of sense right now but it's the truth and we all have been there. The worst habit new traders have is to want to "let their winners run" and trade without stop loss while praying to get out at breakeven when their trade goes against them.



Normal mindset => Make trade based on instincts and a "bias, somewhat, maybe". Price goes down, don't accept the loss. Keep holding underwater positions, if by a miracle they come to breakeven, close it.





A REQUEST

My aim is to bring the best knowledge that I have in the best and easiest form to everyone who wants to learn trading.

I will always and forever keep the trading tutorials free as it should be. There is no shilling, no advertising in this community.

If you would like to support the work and the endeavor of sharing trading knowledge, you can support for free by using the following Link to make an account on Bybit if you would like to trade there. Link- <https://partner.bybit.com/b/TradingBitcoin>

They are going to give a bonus on your deposits, just for our community.

We just had a competition conclude there and will be organizing many more. Those who already have an account can also sign up via this link. This helps in keeping the tutorials in the best quality and free.

Thank you. Love you all.

-EmperorBTC



STRATEGY

1) Consolidation range before impulse moves

Trading based on FRVP is simple. You long on a retrace after a dump or short on a retrace after a pump. Areas to look for: Value Area High/Low (VaH/VaL) and of course POC of the range.

How to make this strategy work? Pick the best range. Any short consolidation phase before an impulse is where you draw your fixed range.

Here I draw it from the first candle that formed the range to the last candle before the range was broken down out of:

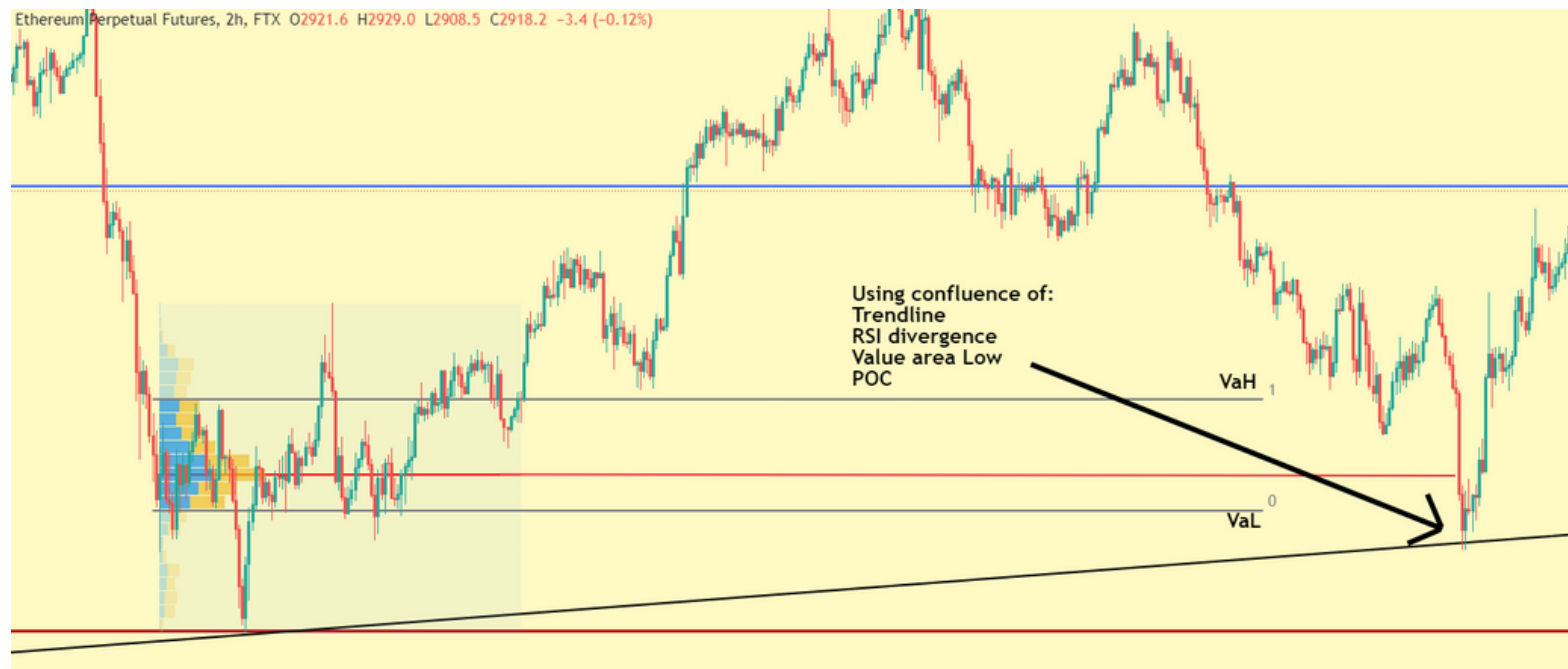


Target and stop loss can be based on a confluence of Value Areas at either end and the use of key levels. Trading Volume Profile is most effective if you use confluence.

Link to the levels PDF here : <https://t.me/EmperorbtcTA/527>



Fixed Range strategies and trading is something that easier to illustrate than it is to talk about. That is why I'm sharing as many examples as possible in this tutorial.



FRVP is a tool that can enhance your usual trading with pinpoint entries and adding an abundance of confluence.

Another great example is a Bitcoin trade I took publicly on the telegram group and on twitter recently:

This illustrates how FRVP tool gives you not just entries but also specific targets when you're using normal concepts of level to level and range trading.





Result:



Link to reasoning and analysis: <https://t.me/EmperorbtcTA/542>

NOTE: It is important to remember that the 1st touch on an untapped POC is the most powerful, subsequent ones are much weaker and have reduced effect on the price.



THANK YOU FOR READING

I hope now you have a better understanding of Volume Profile.

The best you can get out of it is to start using it regularly.

FRVP is free to use, use it often, develop and find your edge by using it through observation.

Thank You.

-EmperorBTC
